

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on January 24, 2003 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Jim Keane, Vice Chairman (D)
Rep. Donald Steinbeisser, Vice Chairman (R)
Rep. Bob Bergren (D)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Ray Hawk (R)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Gary Matthews (D)
Rep. Scott Mendenhall (R)
Rep. Penny Morgan (R)
Rep. Allen Rome (R)
Rep. Sandy Weiss (D)
Rep. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Alberta Strachan, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 343; HB 342; HB 363 (1/20/03).
Executive Action: HB 130; HB 354; HB 122; HB 76; HB 321; HB 338; HB 363

HEARING ON HB 343

Sponsor: REP. SCOTT SALES, HD 27, Bozeman

Opening Statement by Sponsor:

REP. SALES said this bill was an act prohibiting the State Compensation Insurance Fund from expending funds for scholarship, educational, or charitable purposes.

{Tape: 1; Side: A; Approx. Time Counter: 35 - 62}

Proponents' Testimony: None

Opponents' Testimony:

Matthew Cohn, Montana State Fund, said they opposed this bill. It was determined the Montana State Fund should operate in a way that other insurance carriers do in donating funds for programs. It is very common within the insurance industry. He then distributed a flyer regarding the ACE Program.

EXHIBIT (buh15a01)

{Tape: 1; Side: A; Approx. Time Counter: 62 - 154}

Anita Hannawalt, Director, Montana Guaranteed Student Loan Program, said they administered the scholarship fund. They also administer financial aide for the State and the Board of Regents. They are very aware of the unmet needs of people trying to go to college, better themselves, become taxpayers and really help the economic development of the State. These students have need. She then distributed a summary of Montana State Fund scholarship applicants.

EXHIBIT (buh15a02)

{Tape: 1; Side: A; Approx. Time Counter: 154 - 185}

Informational Testimony: None

Questions from Committee Members and Responses:

REP. HAWK asked how this program was funded. Mr. Cohn said the funding came from the money they collect.

{Tape: 1; Side: A; Approx. Time Counter: 202 - 204}

REP. GALLIK asked how much money goes into the scholarships. Matthew Cohn, Montana State Fund, said \$50,000. REP. GALLIK then asked if there was a budget for these programs. Mr. Cohn said the budget for the ACE Program is determined as a percentage of the premiums collected.

{Tape: 1; Side: A; Approx. Time Counter: 204 - 271}

Closing by Sponsor:

The sponsor closed.

{Tape: 1; Side: A; Approx. Time Counter: 274 - 275}

HEARING ON HB 342

Sponsor: REP. LARRY JENT, HD 29, Bozeman

Opening Statement by Sponsor:

REP. JENT said this bill was an act repealing the laws relating to foreign capital depositories including the Montana Foreign Capital Depository Act, foreign capital depository assessment provisions, and foreign capital depository asset protection provisions.

{Tape: 1; Side: A; Approx. Time Counter: 275 - 367}

Proponents' Testimony:

Tom Morrison, Attorney at Law, Helena, said he practices law as a tax lawyer. He presented articles regarding various scams made in Montana and a printed article regarding The Foreign Capital Depositories Act.

EXHIBIT (buh15a03)

EXHIBIT (buh15a04)

{Tape: 1; Side: A; Approx. Time Counter: 368 - 421}

Jim Drummond, Chairman, Former Bank Board, presented written testimony.

EXHIBIT (buh15a05)

{Tape: 1; Side: B; Approx. Time Counter: 1 - 119}

Don Hargrove, representing himself, said the standards are different, there is not going to be a good kind of money that is going to come to us.

{Tape: 1; Side: B; Approx. Time Counter: 120 - 174}

Opponents' Testimony:

SEN. MIKE SPRAGUE, SD 6, Billings, said there was never a depository built. People wanted to deposit money but had no where to deposit it. He felt there was still a need for this legislation. He then said the bureaucrats are trying to tell the legislature how to legislate. This legislation was a seven-year odyssey.

{Tape: 1; Side: B; Approx. Time Counter: 174 - Tape: 2; Side A; Approx. Time Counter: 20}

Informational Testimony:

Annie Goodwin, Commissioner of Banking and Financial Institutions, said she was there for questions.

John Cadby, Montana Bankers Association, said he was there for questions.

Questions from Committee Members and Responses: None

Closing by Sponsor:

The sponsor closed.

{Tape: 2; Side: A; Approx. Time Counter: 159 - 213}

HEARING ON HB 363

Sponsor: REP. ROY BROWN, HD 14, Billings

Opening Statement by Sponsor:

REP. BROWN said this bill was an act amending the definition of "adequately funded" to eliminate the requirement that the State Compensation Insurance Fund reserve an additional amount equal to 10% of the total cost of future benefits remaining to be paid for injuries resulting from accidents occurring before July 1, 1990, and the costs of administering the claims for injuries resulting from accidents occurring before July 1, 1990.

{Tape: 2; Side: A; Approx. Time Counter: 217 - 277}

Proponents' Testimony:

Jerry Driscoll, Montana State AFL-CIO, said he supports the bill. Money is needed now to reimburse the programs which are being cut. If the actuary is wrong then the general fund is stuck.

{Tape: 2; Side: A; Approx. Time Counter: 278 - 304}

Web Brown, Montana Chamber of Commerce, said they do support this bill. Montana is very protective of the reserve which has been set for these various funds. They were established for a reason. This is money that was paid in by employers and employees. The best report, if there is extra money, is to refund it to the people.

{Tape: 2; Side: A; Approx. Time Counter: 305 - 335}

Erik Feaver, Montana Education Association, said the state agencies all invested in the Workers' Compensation Old Fund and the state agencies should get it back. The money should not be put into teacher signing bonuses because that presents some serious issues to the MEA. When signing bonuses are handed out, those who are already teaching want to know where their re-signing bonuses are. There are ways to use this money that will be an advantage to all teachers, all public employees in schools and all school districts. This is a good source of revenue to do that.

{Tape: 2; Side: A; Approx. Time Counter: 335 - 371}

Bob Vogel, Montana School Boards Association, said they support the bill. About 75% of the graduates of schools of education leave Montana. That is compared to about 25% in the past. It is very important to find a way to help us compete to keep those teachers here, to keep them here for availability to teach.

{Tape: 2; Side: A; Approx. Time Counter: 371 - 400}

Opponents' Testimony: None

Informational Testimony:

Nancy Butler, Montana State Fund, said this bill addresses the old fund. She said she would be available for questions.

{Tape: 2; Side: A; Approx. Time Counter: 405 - 442}

Questions from Committee Members and Responses:

REP. MATTHEWS asked Ms. Butler how many actual claims are current now. **Ms. Butler** said there were 1,500 open claims before July 1, 1990. Within that body there are permanent totals, beneficiaries of fatalities, and those people under regular benefits. They all have lifetime medicals as well. The State Fund is authorized to spend up to \$1.25 million a year to adjust the claims. In essence they function as a third party administrator on those claims.

{Tape: 2; Side: A; Approx. Time Counter: 443 - 490}

REP. GALLIK asked Ms. Brown if an amendment could be used and she indicated she would not object.

{Tape: 2; Side: A; Approx. Time Counter: 490 - 500}

Closing by Sponsor:

The sponsor closed.

REP. STEINBEISSER reported on the action of the subcommittee for HB 332.

{Tape: 3; Side: A; Approx. Time Counter: 87 - 105}

EXECUTIVE ACTION ON HB 130

Motion: REP. BITNEY moved HB 130 DO PASS.

Discussion:

REPS. GALLIK, MATTHEWS, BERGREN said they opposed this bill.

Motion/Vote: REP. BERGREN moved the FIRST SET OF AMENDMENTS. A roll call vote was taken. Motion passed 15-3 with REPS. STEINBEISSER, HAWK, and ROME voting no.

EXHIBIT (buh15a06)

Motion/Vote: REP. GALLIK made SUBSTITUTE MOTION THAT SECOND SET OF AMENDMENTS DO PASS. A roll call vote was taken. Motion failed 6-12 with REPS. STEINBEISSER, BITNEY, HAWK, MAEDJE, MENDENHALL, and ROME voting yes.

EXHIBIT (buh15a07)

Motion/Vote: REP. BITNEY moved HB 130 DO PASS AS AMENDED. A roll call vote was taken. Motion carried 18-0.

EXECUTIVE ACTION ON HB 354

Motion: REP. GALLIK moved HB 354 DO PASS.

Motion: REP. GALLIK moved AMENDMENTS.

Discussion:

Mr. Campbell explained the amendments.

Vote: Motion carried 18-0.

Motion/Vote: REP. KEANE moved DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON HB 122

Motion: REP. LAWSON moved HB 122 DO PASS.

Discussion:

Without objection from Committee Mr. Huntington discussed a conceptual amendment.

Motion/Vote: REP. LAWSON moved CONCEPTUAL AMENDMENT. Motion carried 18-0.

Motion/Vote: REP. LAWSON moved HB 122 DO PASS AS AMENDED. Motion carried 17-1 with REP. GALLIK voting no.

EXECUTIVE ACTION ON HB 76

Motion: REP. McKENNEY moved HB 76 DO PASS.

Motion: REP. McKENNEY moved HB 76 AMENDMENTS DO PASS.

Discussion:

Mr. Campbell explained the amendments.

Vote: Motion carried on HB 76 AMENDMENTS 18-0.

Motion/Vote: REP. McKENNEY moved SECOND SET OF HB 76 AMENDMENTS. Motion carried 14-4 with REPS. BERGREN, BITNEY, MATTHEWS, and MORGAN voting no.

Motion/Vote: REP. McKENNEY moved HB 76 DO PASS AS AMENDED. Motion carried 17-1 with REP. ROME voting no.

EXECUTIVE ACTION ON HB 321

Motion: REP. MORGAN moved HB 321 DO PASS.

Motion: REP. GALVIN-HALCRO moved AMENDMENTS.

Discussion:

REP. GALVIN-HALCRO explained the amendments.

REP. MENDENHALL supported amendments.

Vote: REP. GALVIN-HALCRO moved HB 321 AMENDMENTS. Motion carried 18-0.

Motion/Vote: REP. GALVIN-HALCRO moved HB 321 DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON HB 338

Motion: REP. KEANE moved HB 338 DO PASS.

Motion: REP. KEANE moved HB 338 AMENDMENTS.

Vote: Motion carried on HB 338 AMENDMENTS 16-2 with REPS. BITNEY, MAEDJE voting no.

Motion/Vote: REP. KEANE moved HB 338 DO PASS AS AMENDED. A roll call vote was taken. Motion carried 10-7 with REPS. MCKENNEY, STEINBEISSER, BITNEY, HAWK, MAEDJE, MENDENHALL, and MORGAN voting no. REP. BOOKOUT-REINICKE abstained from voting.

ADJOURNMENT

Adjournment: 11:35 A.M.

REP. JOE MCKENNEY, Chairman

ALBERTA STRACHAN, Secretary

JM/AS

EXHIBIT (buh15aad)